bank claimed reimbursement from the defendant who had sold the property unencumbered. *Held*, that the bank is not entitled to relief. *Title Guarantee & Trust Co.* v. *Haven*, 139 N. Y. Supp. 207 (Sup. Ct., App. Div.). See NOTES, p. 634.

BILLS AND NOTES — PURCHASERS FOR VALUE WITHOUT NOTICE — KNOWLEDGE OF A CORPORATION AS NOTICE TO ITS OFFICERS. — The plaintiff, who held the position of president in a bank, but took no active part in its affairs, bought of the bank without actual notice of any defect a promissory note given to the bank by the maker without consideration. *Held*, that the plaintiff is not a holder in due course. *McCarty* v. *Kepreta*, 139 N. W. 992 (N. D.).

Actual knowledge is necessary to constitute notice under § 56 of the Negotiable Instruments Law, but this section must be construed in the light of the common-law principles of which it is declaratory. *Cf. Schlesinger* v. *Lehmaier*, 191 N. Y. 69, 83 N. E. 657. On principles of agency the knowledge of an officer or agent of a corporation, as to a transaction carried out by him in the scope of his employment, is the knowledge of the corporation for the purpose of charging it with liability. *National Security Bank* v. *Cushman*, 121 Mass. 490; *Twenty-Sixth Ward Bank* v. *Stearns*, 148 N. Y. 515, 42 N. E. 1050. Nor can a corporation do acts through ignorant agents and escape the consequence of its own knowledge. *Mechanics' Bank of Alexandria* v. *Seton*, 1 Pet. (U. S.) 299; *Curtice* v. *Crawford County Bank*, 118 Fed. 390. But no principle of agency can impute to the agent the knowledge of his principal and make him personally responsible for it. The officers have perhaps a duty to be conversant with the corporation affairs; but it seems unjust that an officer, who gratuitously furnishes his name, aid, and valuable advice should be compelled to follow the corporate business in detail, or that the law should do more than create a presumption that he is conversant with it. *Proctor* v. *Baldwin*, 82 Ind. 370; *Briggs* v. *Spaulding*, 141 U. S. 132, 11 Sup. Ct. 924. *Contra*, *Merchants' Bank* v. *Rudolph*, 5 Neb. 527. See *Gillet* v. *Phillips*, 13 N. Y. 114, 117. Further, mere negligence in not knowing will not affect a purchaser of a negotiable instrument with notice. *American National Bank* v. *Lundy*, 21 N. D. 167, 129 N. W. 99. It is submitted, therefore, that the decision in the principal case is incorrect.

BILLS AND NOTES — PURCHASERS FOR VALUE WITHOUT NOTICE — PAYEE AS PURCHASER FOR VALUE UNDER THE NEGOTIABLE INSTRUMENTS LAW. — The defendant was induced by fraud of the maker to sign promissory notes as surety. The maker then delivered the notes to the payee, who paid value without notice of the fraud. Under section 52 of the Negotiable Instruments Law one of the requisites of a holder in due course is "that at the time it was negotiated to him he had no notice of any infirmity in the instrument or defect in the title of the person negotiating it." Section 30 provides: "An instrument is negotiated when it is transferred from one person to another in such manner as to constitute the transferee the holder thereof. If payable to bearer it is negotiated by delivery; if payable to order it is negotiated by the indorsement of the holder completed by delivery." *Held*, that the payee cannot be a holder in due course. *Stone* v. *Goldberg & Lewis*, 60 So. 744 (Ala.).

The principal case seems correct in holding that by a fair construction of section 52 an instrument must be negotiated to the transferee in order to render him a holder in due course. But see *Boston Steel & Iron Co.* v. *Steuer*, 183 Mass. 140, 66 N. E. 646. The further question arises whether transferring a note to the payee is a negotiation within section 30. Under section 20 of the English Bills of Exchange Act and section 14 of the Negotiable Instruments Law, both providing expressly that under certain circumstances an instrument must be negotiated to a holder in due course in order to render the maker liable,

it has been held that a transfer to the payee will not be such a negotiation. *Herdman* v. *Wheeler*, [1902] 1 K. B. 361; *Vander Ploeg* v. *Van Zuuk*, 135 Ia. 350, 112 N. W. 807. But see *Lloyd's Bank* v. *Cooke*, [1907] 1 K. B. 794, 808. It has been held, however, that irrespective of such provisions the payee can recover on the ground of estoppel. *Lloyd's Bank* v. *Cooke, supra*. At common law the payee could be a holder in due course. *Watson* v. *Russell*, 3 B. & S. 34; *Fairbanks* v. *Snow*, 145 Mass. 153. *Contra, Charlton Plow Co.* v. *Davidson*, 16 Neb. 374. Since a *bonâ fide* payee is in substantially the same position as a *bonâ fide* indorsee, the common-law rule seems correct, and it would seem desirable to extend section 30 so as to expressly include a transfer to the payee. Under the present wording of the statute a result opposed to that of the principal case can only be reached by a strained construction of the word "negotiation" or the questionable theory of an estoppel.

. CARRIERS — CONNECTING LINES — INITIAL CARRIER: PRESUMPTION AS TO LOSS OF GOODS. — The plaintiff consigned goods on a through shipment over connecting lines. A part of the goods was lost. There was no evidence that the loss occurred on the defendant line, the initial carrier, nor did it contract to assume liability for the whole carriage. *Held*, that the defendant is not liable for the loss. *St. Louis, Iron Mountain, & Southern Ry. Co.* v. *Carlile*, 128 Pac. 690 (Okla.).

If the initial carrier assumes liability for the delivery of goods at their destination it is liable for any loss occurring during the carriage. *Adams Express Co.* v. *Wilson*, 81 Ill. 339. *Cf. Beard* v. *St. Louis, A. & T. H. Ry. Co.*, 79 Ia. 527, 44 N. W. 803. Courts differ, however, as what constitutes assumption of such liability. By the English rule the mere receiving of goods addressed to a point beyond its own line makes the initial carrier liable. *Muschamp* v. *Lancaster & P. J. Ry. Co.*, 8 M. & W. 421. This rule is generally said not to obtain in the United States. See *Myrick* v. *Michigan Central R. Co.*, 107 U. S. 102, 106, 1 Sup. Ct. 425, 429; *Bishawaiti* v. *Pennsylvania R. Co.*, 92 N. Y. Supp. 783. It has, however, been adopted by a number of jurisdictions. *Allen & Gilbert-Ramaker Co.* v. *Canadian Pacific Ry. Co.*, 42 Wash. 64, 84 Pac. 620; *Chicago & Northwestern Ry. Co.* v. *Simon*, 160 Ill. 648, 43 N. E. 596. A few cases have been found holding directly contrary to the English rule. *Northern R. Co.* v. *Fitchburg R. Co.*, 6 Allen (Mass.) 254; *The Thomas McManus*, 24 Fed. 509. But most of the cases cited as holding contrary to the English rule are distinguishable on the grounds of express limitation of liability to the initial carrier's own line, lack of authority by the agents to make through contracts, or express statutory provision. *Myrick* v. *Michigan Central R. Co. supra*; *Roy* v. *Chesapeake & Ohio Ry. Co.*, 61 W. Va. 616, 57 S. E. 39; *Atchison, T. & S. F. Ry. Co.* v. *Rutherford*, 29 Okla. 850, 120 Pac. 266. If, as in the principal case, the evidence fails to locate the loss, there is no presumption that it occurred on the initial carrier's line. *Atchison, T. & S. F. Ry.* v. *Rutherford, supra*. But see *Brintnall* v. *Saratoga & Whitehall R. Co.*, 32 Vt. 665, 675. There is, however, a presumption that it occurred on the final carrier's line. *Faison* v. *Alabama & Vicksburg Ry. Co.*, 69 Miss. 569, 13 So. 37; *St. Louis Southwestern Ry. Co.* v. *Birdwell*, 72 Ark. 502, 82 S. W. 835. But if, as seems probable, this presumption exists because the evidence of the place of loss is ascertainable solely by the carrier, there is no reason, it is submitted, why it should not be raised against whatever carrier may be defendant in the suit.

CARRIERS — CONNECTING LINES — LIABILITY OF CONNECTING CARRIER ON CONTRACT MADE BY INITIAL CARRIER. — The consignor of goods sent by the Wells Fargo and the defendant express companies arranged with the former company for payment of express. The defendant was not notified of the contract and refused to deliver to the consignee until paid full charges. *Held*,